

July 1, 1998

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
100 Cambridge Street, 12th Floor
Boston, MA 02202

RE: Western Massachusetts Electric Company Tariff Application

Dear Secretary Cottrell:

Pursuant to Massachusetts General Laws Chapter 164, section 94, and 220 CMR 5.00 *et seq.*, and the Department of Telecommunications and Energy's ("Department") Order designated D.T.E. 97-120-1 (June 30, 1998), Western Massachusetts Electric Company ("WMECO" or "Company") hereby requests that:

- (1) the Department approve for WMECO a further 2.4 percent decrease from undiscounted rates authorized for August 1997. The Company's proposed replacement tariffs are enclosed as Exhibit 1 (supporting material follows as Exhibits 2-8 and 10). WMECO requests that these revised tariffs become effective on July 1, 1998. Pursuant to 220 CMR 5.03, this is WMECO's Letter of Explanation. A \$495 filing fee is enclosed.
- (1) the Department waive, if necessary, the 14-day filing requirement for rate tariffs.

Rate Reduction

On May 15, 1998, WMECO announced its intention to reduce further its rates by 2.4 percent in the amendment to its restructuring plan filing submitted to the Department and to all parties in D.T.E. 97-120. WMECO submitted informational exhibits reflecting that change at that time. The rate change will be a general rate decrease applicable to all tariffed rates charged by the Company. Previously, WMECO reduced its rates on March 1, 1998 to comply with the provisions of the Act. While WMECO does not believe that this further 2.4 percent rate reduction is required by the Act, it is cognizant of our customers' interest in an additional rate reduction.

As shown on the rate tariffs submitted today, WMECO proposes to reduce its rates by the indicated 2.4 percent for consumption on and after July 1, 1998, based on the Department's findings in regard to the rate reduction in D.T.E. 97-120-1 (June 30, 1998). This reduction will save our customers approximately eight million dollars per year.

The filed rate tariffs are substantially similar to those filed on May 15, 1998. However, as listed below, a few additional changes have been incorporated to correct errors and bring the tariffs fully up to date. (In order to view the actual wording changes, the Company has included a red-lined version of the tariffs.)

- The rates included in the tariffs incorporate the latest Company projections for distribution and transmission. Because distribution costs and transition costs are interrelated, transition costs also vary from those previously submitted.
- Several rates (Rates PR, I-1 and I-3) filed on May 15 inadvertently did not incorporate the further 2.4 percent rate reduction; this has been corrected.
- The interruptible rate tariffs now make clear that interruptible farm customers are eligible for the additional 10 percent farming discount under the statute.
- The Voluntary Curtailment Rate has been changed to reflect the language adopted by the Department on May 19, 1998.
- The low income discount rider has been revised to accommodate new unbundled rate components and the discount is made explicitly applicable to Rates R-4 and R-5.
- The text of several tariffs has been changed to correct several typographical errors.

In addition, certain accompanying data has changed to a very limited degree, as follows:

- The billing units for Rate PR were increased which correspondingly increased total kilowatthours;
- The accompanying calculation of unbundled tariffs for Rates R-1 and R-3 includes more information than previously provided, consistent with additional information provided by the Company in a response to a data request in D.T.E. 97-120;
- The accompanying calculation of unbundled revenues now separately identifies the Demand-Side Management and Renewable Energy charges consistent with our understanding of the Department's requirements.

Waiver

The Company believes that sufficient notice of this rate reduction has been provided but, in the event that the Department concludes that notice is not sufficient, the Company hereby requests a waiver from the notice requirements of the regulations so that the rate reduction can go forward.

Sincerely,

Lisa J. Thibdaue
Vice President – Rates, Regulatory
Affairs, and Compliance

cc: Kevin Brannelly, Director, Rates
Michael Ernst, General Counsel
George Dean, Attorney General's Office
Service List, D.T.E. 97-120